



State of Rhode Island
Division of Public
Utilities & Carriers

Administration
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July 12, 2019

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Re: Docket No. 3533

Dear Ms. Massaro,

On May 31, 2019, Cox Rhode Island Telcom, L.L.C. ("Cox" or "Company") submitted a Petition for Relinquishment of its Designation as an Eligible Telecommunications Carrier ("ETC") in Rhode Island ("Petition"). On June 18, 2019, the Division of Public Utilities and Carriers ("Division") submitted its First Set of Data Requests Directed to Cox. The Company provided responses to the Division on June 29, 2019. Based on its review of the Petition, the responses and applicable law, the Division submits these comments / recommendations to the Commission.

In the Petition, Cox seeks to relinquish its designation as an ETC in Rhode Island in accordance with the requirements of 47 U.S.C. § 214(e)(4)¹ as well as the applicable regulations 47 C.F.R.

¹47 U.S.C. § 214(e)(4) (emphasis added) provides, in pertinent part, as follows:

A State Commission . . . shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State Commission . . . of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State Commission . . . shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State Commission . . . shall establish a time, not to exceed one year after the State Commission . . . approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

§ 54.205(a) & (b).² Under the statute and regulations, to obtain relinquishment of an ETC designation, a carrier must show: (i) advance notice to the Commission of relinquishment; (ii) that more than one ETC will continue to serve the area of the ETC seeking relinquishment; (iii) that the remaining ETCs ensure all of the relinquishing ETC's customers will continue to be served; and (iv) notice to the remaining ETCs to permit the purchase or construction of adequate facilities to serve the relinquishing ETC's customers.

(i) **Advance Notice to Commission**

By filing the Petition, Cox has provided the Commission with advanced notice of its intended relinquishment of its designation as an ETC in Rhode Island. In the Division's opinion, the first criterion set forth above is satisfied by Cox's filing.

(ii) **Area Served by Cox is Served by More Than One (1) ETC**

Cox reports that its proposed relinquishment will impact "approximately 1,553 customers"³ in Rhode Island. The Company, however, contends that these customers "will have multiple options for alternative ETCs in the state." *Petition at 4.*

² 47 C.F.R. § 54.205(a) & (b) (emphasis added) provide as follows:

- (a) A state commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the state commission of such relinquishment.
- (b) Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the state commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the state commission approves such relinquishment under this section, within which such purchase or construction shall be completed.

³ The Division observes that the number of lifeline customers that will be impacted by Cox's proposed relinquishment of its ETC designation is substantially greater in Rhode Island (approximately 1,553) than in other jurisdictions where similar Cox requests have been granted.

Arizona – less than 500
Arkansas – less than 65
Florida – 498
Georgia – 42
Iowa – 48
Virginia – 221

See Response to Div I-15.

A review of Cox's Response to Div 1-6 reflects the local incumbent exchange carrier (Verizon) is providing landline, lifeline service in every area code where Cox has landline, lifeline customers and two other ETC's (Assurance and SafeLink) are providing wireless, lifeline service to customers in every area Cox has landline, lifeline customers. Of the remaining 10 ETCs, 6 (Boomerang, Life, Q-Link, StandUp, Tempo and True) provide wireless, lifeline service to customers in nearly all areas in which Cox reports it currently serves lifeline customers. Cox has established that "more than one" ETC serves every area where Cox is seeking to relinquish lifeline service. *See Response to Div 1-6*. Based on the Cox's Response to Div 1-6, the Division believes Cox has also satisfied the second requirement of 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205(a) & (b).

(iii) State Commission Requires Remaining ETCs to Ensure All Cox's Lifeline Customers Will Continue to be Served

Both 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205(a) & (b) provide that the Commission "shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served." 47 U.S.C. § 214(e)(4); 47 C.F.R. § 54.205(a) & (b). In the Petition, Cox proposes a transition plan "[t]o ensure that current Cox's lifeline subscribers have adequate time to select another Lifeline provider..." *Petition at 4*.

The proposed transition plan consists of the following principal terms:

- "At least 60 days prior to the ETC relinquishment effective date [September 1, 2019] Cox will provide a letter via U.S. Mail to all of its impacted customers that describes the upcoming elimination of the Lifeline discount."
- "Then, at least 30 days prior to the ETC relinquishment date, Cox will provide a bill message to impacted customers," a sample of which is attached as Exhibit B to the Petition.
- "Impacted customers will automatically be transitioned to [a] Cox Voice Premier calling plan at a promotional rate of \$9.99 per month for 12 months *by contacting Cox*, or have the option to select other available offers that better meet their needs." (Emphasis added)
- "Customers who do not contact [Cox] to select a service offer will be billed the standard rate beginning September 1, 2019".

Id at 4-5.

Under Cox's transition plan only those lifeline customers who receive the 60-day notice or 30-day bill insert notice and act to obtain lifeline service from one of the remaining ETCs will be assured of uninterrupted lifeline service as of September 1, 2019. Lifeline customers who do not receive the 60-day notice or 30-day bill insert notice or read or understand these notices' significance will be transitioned from Cox lifeline service at the rate of \$13.99/month, inclusive of taxes and fees,

to a Cox Voice Premier calling plan at the standard rate of \$53.15/month, inclusive of taxes and fees, effective September 1, 2019. *Response to Div 1-10*. Under this scenario, lifeline customers who do not receive, fail to read or do not understand the significance of Cox's notices will experience a 279%⁴ rate increase for telephone service, effective September 1, 2019.⁵

Although Cox is offering Cox Voice Premier service to its lifeline customers at a promotional rate of \$23.38/month for one (1) year, inclusive of taxes and fees, the Company's lifeline customers are not automatically transitioned to this service. Only lifeline customers who receive the 60-day notice and 30-day bill insert notice (which contains information about the promotion) and act to obtain the service "by contacting Cox" will receive the service at the promotional rate. *Petition at 4*. Lifeline customers who take advantage of the promotion will still experience a 67% rate increase, effective September 1, 2019.⁶

To better achieve the aim of ensuring the provision of continued lifeline service by the remaining ETCs to Cox's lifeline customers as of the effective date of relinquishment, the Division recommends that the Commission make the following modifications to Cox's proposed transition plan:

- 1) Require Cox to inform its lifeline customers in the 60-day and 30-day bill insert notices that if they do not select another lifeline provider as of the effective date of relinquishment they will be placed on a Cox Voice Premier calling plan at a promotional rate of \$23.38, inclusive of taxes, fees and other surcharges for one (1) year;
- 2) Require that Cox delete the following clauses contained in its proposed 60-day and 30-day bill insert form of notices:

"Your voice service from Cox will not change . . . Cox has a special offer of \$9.99 per month for 12 months plus all applicable taxes, fees, and surcharges. Please contact Cox at xxx-xxx-xxxx for more information about this and other offers. However, if you continue your existing Cox telephone service without this offer you will be billed at the standard price for that service plus all applicable taxes, fees and surcharges."

- 3) Require that as of the effective date of relinquishment, Cox automatically transition all of its then existing lifeline customers to a Cox Voice Premier calling plan at the promotional service rate of \$23.38, inclusive of taxes, fees and other surcharges for one (1) year;

⁴ $[(\$53.15 - \$13.99) / \$13.99] * 100\%$.

⁵ Generally, a customer is eligible for lifeline service if his/her income is 135% or less than federal poverty guidelines. By this definition, lifeline customers are customers who are least able to afford this type of increase.

⁶ $[(\$23.38 - \$13.99) / \$13.99] * 100\%$.

- 4) Require Cox to clarify in all notices that lifeline customers are free to select lifeline plans from other Lifeline providers throughout the 1-year period they are on the promotional service plan;
- 5) Require Cox to change the font type and font size of all the notices to Times New Roman and at least font size 12;
- 6) Require Cox to provide certain critical information in all the notices in all caps and bold-faced type;
- 7) Require Cox to amend the USAC "general Lifeline information" URL in its proposed notice to a functioning URL; and
- 8) Require Cox to provide a bill insert notice 30 days before the expiration of the promotional service plans informing all remaining transitioned customers that their promotion is ending; that they may seek lifeline service from another lifeline provider; and that if they do nothing as of September 1, 2020 they will receive Cox Voice Premier Service at the standard rate of \$ _____ / month, inclusive of taxes, fees and other surcharges.

Attached is an example of a form of notice the Commission should require Cox to provide to its lifeline customers that reflects these proposed modifications, with the exception of 8) above. The attached form of notice would have to be modified to incorporate 8) for the bill insert notice provided 30 days before the 1-year anniversary of the effective date of relinquishment.

**(iv) Sufficient Notice to Permit the Construction of Adequate Facilities
by Any Remaining ETC**

The Division concurs with Cox that since there is an incumbent local exchange carrier that can provide landline, lifeline service in all areas where Cox is providing landline, lifeline service such notice is not necessary.

Conclusion

The Division respectfully requests the Commission to grant the Petition subject to modifications and recommendations set forth herein.

Respectfully submitted,



Leo J. Wold
Deputy Chief of Legal Services, DPUC

cc: Service List

[Cox letterhead]

NOTICE - IMPORTANT

TRANSLATE IMMEDIATELY

Dear Lifeline Customer,

BEGINNING SEPTEMBER 1, 2019, COX WILL NO LONGER PROVIDE A LIFELINE DISCOUNT IN RHODE ISLAND.

If you receive a notification from the Universal Service Administration Company (USAC) to recertify your eligibility in the Lifeline program after receipt of this letter or if you receive such notice in the future, please disregard them as Cox will no longer provide a Lifeline discount in Rhode Island as of September 1, 2019.

How does this impact you?

IF YOU WISH TO KEEP A LIFELINE DISCOUNT, YOU WILL NEED TO CONTACT ANOTHER LIFELINE PROVIDER. BELOW IS A LIST OF PROVIDERS THAT MAY OFFER LIFELINE SERVICE IN YOUR AREA. YOU CAN CONTACT THESE PROVIDERS DIRECTLY TO DETERMINE THEY PROVIDE SERVICE AT YOUR LOCATION.

If you do nothing, you will automatically receive telephone service at a promotional rate of \$23.38 per month for one (1) year inclusive of applicable, taxes, fees and surcharges. Although you are receiving telephone service at a promotional rate you are free to obtain lifeline service from other lifeline providers at any time.

The Rhode Island Public Utilities Commission maintains a list of Lifeline service providers on its website:

<http://www.ripuc.org/utilityinfo/telecom/Lifeline.html>

USAC maintains a list of Lifeline service providers on its website. You can enter your zip code at the following URL to find companies that may provide Lifeline service at your location.

- <https://data.usac.org/publicreports/CompaniesNearMe/Download/Report>

USAC also has general Lifeline information available on its website at the following URL

- <https://www.lifelinesupport.org/li/>

Thank you,

Cox Communications